13. We reaffirm our commitment to the Treaty's basic obligations and our undertaking to refrain from acts which would defeat the object and purpose of the Treaty pending its entry into force.

14. We remain steadfast in our commitment to pursue the efforts to ensure that the Treaty's verification regime shall be capable of meeting the verification requirements of the Treaty at entry into force, in accordance with the provisions of article IV of the Treaty. In this context, we will continue to provide the support required to enable the Preparatory Commission for the Comprehensive Nuclear-Test-Ban Treaty Organization to complete its tasks in the most efficient and cost-effective way.

15. The Conference addressed the issue of possible future conferences, expressed the determination of its participants to continue working towards entry into force of the Treaty and took note of the provisions contained in paragraph 3 of article XIV of the Treaty.

PERSONAL EXPLANATION

HON. CHARLES A. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 19, 2001

Mr. GONZALEZ. Mr. Speaker, on rollcall No. 483, 484, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498.

Had I been present, I would have voted 483—yes, 484—yes, 485—yes, 486—yes, 487—no, 488—yes, 489—no, 490—yes, 491—yes, 492—yes, 493—yes, 494—yes, 495—yes, 496—yes, 497—yes, 498—yes.

CASPIAN PIPELINE OPENS

HON. JOE BARTON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 19, 2001

Mr. BARTON. Mr. Speaker, I commend to my colleagues the following article:

[From the Washington Times, Dec. 3, 2001]

CASPIAN PIPELINE OPENS

(By Christopher Pala)

ALMATY, KAZAKHSTAN.—The first pipeline built to bring Kazakhstan's oil to world markets was dedicated in Russia last week, four months late and minus the presidents of the two countries through which it passed.

Speeches delivered near the Russian port of Novorossiisk called the 940-mile steel tube a symbol of international cooperation, and that it is indeed: The Russian Federation and American and Russian oil companies have provided most of the $2.6 billion cost, and Russia stands to earn $20 billion over the 40-year life of the pipeline.

But the pipeline is also:

The first step to Kazakhstan's ambitious plan to deliver 3 million barrels a day in 15 years to world markets and become one of the top three oil exporters in the world.

A mutibillion-dollar bet by Chevron Corp. in 1993 that is now set to pay off handsomely.

An example of the difficulty of doing business in Russia.

Proof that with perseverance, it can be done.

The pipeline, built by the 11-member Caspian Pipeline Consortium, known as CPC, starts on the desert shores of the northeast Caspian Sea at Tengiz, Kazakhstan, the world's sixth-largest oil field.

The longest 40-inch pipe in the world then curls around the Caspian before striking west across the broad plains north of the Caucasus range and ends at a tanker terminal 10 miles west of Novorossiisk.

When completed, at a final cost of $4 billion, it will be able to carry up to 1.3 million barrels per day (bpd), more then double its initial capacity.

PEAK A DECADE OFF

Output at the Tengiz field, now 270,000 bpd, is not expected to rise to a peak of 700,000 bpd until the end of the decade, said Tom Winterton, head of the Tengizchevroil consortium exploiting the field.

Thus, the pipe has plenty of room for oil from other fields—and there lies one of the major disputes that have delayed the opening.

When Chevron took over Tengiz from its post-Soviet managers, it created one consortium for the oil field and a second one to build a pipeline to the Black Sea.

For the first few years, Tengizchevroil, in which Chevron owns 50 percent, diligently overcame such obstacles as the extreme depth of the reservoir (2½ miles below the surface), its high content of poisonous sulfur dioxide and the high pressure at which the oil was flowing. Production steadily climbed from 25,000 bpd and the jinx that gave Tengiz the longest uncontrolled blowout in soviet history was overcome.

But in those years, the pipeline consortium got strictly nowhere in its efforts to persuade Russia and its pipeline monopoly Transneft to allow an outlet through Russia to the Black Sea.

It was not until 1996 that two newly created Russian oil giants, Lukoil and Rosneft, bought into the consortium while the Russian government took a 24 percent share. Then things started moving.

Construction took less than three years.

Transneft Director Semyon Vainshtock tried to fight a rear-guard battle, insisting that what was bad for Transneft was bad for Russia, but the pipeline consortium, headed by Russian Sergei Gnatchenko and assisted by Chevron's Fred Nelson, the consortium's deputy general director for projects, argued that Russia stood to gain from the added production in a non-zero-sum game.

That was just the beginning.

ROCKY ROAD SO FAR

''We had to go through five Russian local governments,'' Mr. Nelson said recently. ''It wasn't always easy.''

Twice, customs disputes halted the flow of the oil at the Russia-Kazakhstan border.

This year, the biggest dispute among CPC members turned ugly and public when it derailed the opening ceremony that had been scheduled for Aug. 6 with the Russian and Kazakh presidents in attendance.

Tengiz oil, until the pipeline was built, was exported entirely through Russia and mostly by rail.

Part of its highly prized light ''sweet'' crude (which sells for up to a dollar a barrel more than Brent, the benchmark crude oil) was mixed along the way with less desirable Russian crudes to make ''Urals Blend,'' which trades at nearly a dollar below Brent.

''The Russians got a free ride for years,'' said a diplomat familiar with the situation.

But for the pipeline, Chevron insisted on instituting what is called a quality bank—a system penalizing those who would add low-quality crude to the mostly Tengiz CPC Blend.

Quality banks are used in most places in the world where low- and high-quality crude oils are blended in pipelines, but the Russian partners relented only three days before the planned inauguration date, which was to coincide with the loading of the first tanker. The ceremony already had been canceled.

Then, the port authority of Novorossiisk extended its jurisdiction to the deserted piece of coast where holding tanks are buried near the end of the pipeline. There is no port: floating hoses are used to fill tankers moored offshore.

The move allowed the port authorities to demand a hefty port tax. Negotiations caused further delays. Eventually, said oil analyst Ivan Mazalov at Troika Dialog in Moscow, ''They were bargained down quite a bit.''

Other delays pushed back the date of the loading of the first tanker to Oct 13.

By the time all the difficulties were ironed out, five fully loaded tankers had weighed anchor and sailed over the Black Sea to the Bosphorus Strait, across the Sea of Marmara, through the Dardanelles to the Mediterranean Sea, and on to refineries in Europe.

A sixth one was loading when the ceremony took place.

CHEVRON GAMBLED, WON

While Russia and the United States ended up represented by deputy ministers, Chevron-Texaco sent Chairman David O'Reilly and the incoming and outgoing vice chairmen of the world's fourth-largest oil company.

That was not surprising: Both the pipeline and the giant oil field it serves are Chevron's babies, multibillion-dollar gambles that finally are paying off. As the foreign biggest investment in the former Soviet Union, oil field and pipeline are testimony that with perseverance, Westerners and Russians can work together.

''CPC is a bellwether project for successful international cooperation,'' Mr. O'Reilly reportedly said at the ceremony. ''It demonstrates the confidence the international business community has to invest in Russia and Kazakhstan.''

But if Russia, Kazakhstan and world consumers can join Chevron in rejoicing at the pipeline's completion, Turkey has exhibited mostly concern.

The extra tankers carrying Tengiz oil, which eventually will number three a week, will further clog the Bosphorus Strait that bisects Istanbul and increase the chances that the city of 12 million people some day will have to cope with a major oil spill or even a fire.

But turkey is committed to upholding the 1936 Montreux Agreement and, barring a catastrophe, Caspian oil will be able to navigate the strait to reach European markets for the foreseeable future, analysts say.

UNDERPINNINGS OF ADMINISTRATIONS' BUDGET NO LONGER HOLD

HON. JOHN M. SPRATT, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 19, 2001

Mr. SPRATT. Mr. Speaker, President Bush claims that his administration has ''brought sorely needed fiscal discipline to Washington.'' The same day, his budget director warns us not to expect another surplus until 2005, after the president's first term is over. If this is fiscal discipline, it has an odd bottom line.

President Bush took office with an advantage no president in recent times has enjoyed: a budget in surplus. Ten days after his inaugural, the Congressional Budget Office projected a surplus of $313 billion in fiscal 2002, and over ten years, a cumulative surplus of $5.6 trillion. More than half of that has vanished. The Director of the Office of Management and Budget, Mitchell Daniels, blames the economy, extra spending, the fight against terrorism—everything but tax cuts.

Last month, economists on the House and Senate Budget Committees updated their estimates of the economy and budget. Their analysis is as close as you can get to a consensus on where we stand now. They show that over ten years the tax cut takes a toll of $1.7 trillion on the budget and accounts for 55 percent of the depletion in the surplus. Spending related to the war on terrorism, initiated after September 11, takes another 11 percent. Other spending increases take 11 percent, and of that, the President's request for defense constitutes two-thirds. The remaining 23 percent is due to the economy.

The economy is a major factor over the next two years. But as the economy recover, its drain on the budget tapers off. The President's tax cuts get bigger.

Budget Committee estimates show a remaining surplus over ten years of $2.6 trillion, but virtually all comes from the Social Security Trust Fund, which everyone has sworn not to touch; and most of that is concentrated in future years where the outlook is very uncertain. When the President submits next year's budget in February, an updated forecast of the economy will come with it, and the $2.6 trillion surplus will surely shrink again. Mr. Daniels no doubt had that forecast in hand when he warned of the vanishing surplus.

The Budget Committee estimates were put together as part of a bipartisan search for common ground. Leaders on Budget, Finance, and Ways and Means met to settle on policies to stimulate the economy. We settled instead for a statement of principles. We agreed that stimulus was needed but that it should be short-lived, to avoid converting a cyclical downswing into a structural deficit. We wanted the budget to recover as the economy recovers. The stimulus bill reported by Ways and Means forsook these principles and proposed more permanent tax cuts, with revenue losses continuing long after the recession ends.

More than half of the surplus is gone, and the plan to save the Social Security surpluses and buy back government bonds is in grave doubt. But the administration seems to find no lesson in these results. On the same day Mr. Daniels made his gloomy prediction, the White House renewed discussions on a stimulus plan, and afterwards told the media that repeal of the corporate alternative minimum tax had to be part of any stimulus plan the President signed. In the short run, this will not help the economy; in the long run, it will not help the budget. In all events, it begs the question: How will we pay for the war on terrorism, for homeland defense, for reinsurance of terrorist damages, for victims' compensation, and for that matter, for the baby boomers' retirement?

No one is blaming the administration for the recession, but it can be faulted for ignoring the clouds and betting the budget on a blue-sky forecast. We warned that its budget had no margin for error if the projections it was based upon failed to pan out. We warned that the tax cuts left little room for other priorities, like Medicare drug coverage or the solvency of Social Security. The administration acted as if we could have it all. Now that it's clear we can't, it seems as unwilling as ever to recast its budget. This is not fiscal discipline; this fiscal denial.

If the administration wants to put the economy and the budget back on path, it has to heed the lessons of the last ten months and acknowledge that the underpinnings of its budget no longer hold.

MARSHALL UNIVERSITY MARTIN LUTHER KING DAY OF SERVICE GRANT

HON. NICK J. RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 19, 2001

Mr. RAHALL. Mr. Speaker, the Rev. Martin Luther King Jr., once declared. ''A nation or civilization that continues to produce soft-minded men purchases its own spiritual death on the installment plan.'' Dr. King devoted his life to improving the minds—and the hearts and souls—of all Americans. That work continues today at Marshall University.

For the fourth time in five years, the Corporation of National Service has awarded Marshall the Martin Luther King Day of Service Grant. It testifies to the energy and efficacy of their efforts. Their work endows children and adults of all creeds and races with a sense of social justice and a commitment of civil rights.

Their January celebration of Dr. King's life and legacy epitomizes the purpose of this national holiday embodies his belief in public service. But just as Dr. King's teaching was not bounded by the walls of his church, Marshall's work in his spirit is not restricted to only one special day. In the upcoming year, for example, Marshall will sponsor a Youth Leadership and Development Program, an Investment in Youth Leadership Forum, and a Mentor Literacy Program, all supported by the CNS grant.

Marshall's is a program that should be honored by all who value Dr. King's message and by any who strive to transmit it to future generations.

SALUTE TO MARTIN HARDY OF GLENDALE, ARIZONA

HON. BARBARA LEE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, December 19, 2001

Ms. LEE. Mr. Speaker, I rise today to salute Martin Hardy of Glendale, Arizona, who began his career with the FAA in 1971, as an Air Traffic Controller at Sky Harbor Airport in Phoenix, Arizona.

With over 30 years of air traffic experience in the Phoenix and Los Angeles areas, Martin has served in a variety of capacities, including Air Traffic Controller (Sky Harbor & Burbank Airports); Operational Supervisor (Burbank TRACON/ Tower & Phoenix Approach Control Facility); Assistant Training Manager (Phoenix Approach Control Facility); Assistant Air Traffic Manager (Phoenix TRACON, Phoenix Tower, Phoenix TRACON and Tower); Air Traffic Manager (Tucson TRACON & Phoenix Tower); and Staff Specialist (National Headquarters—Washington, DC, and Regional Headquarters—Los Angeles, CA). He has remained in a supervisory or management role since 1984 and has been committed to providing safe air traffic service to the nation.

Throughout the past 10 years, Martin has been involved in all stages of change and progress during the tremendous growth period in the Phoenix region. He established exceptional working relationships with many airline representatives in the industry and has remained involved in the coordination of air traffic control procedures for the third runway and north runway construction projects at Sky Harbor Airport.

Martin's extensive knowledge of the Intergovernmental Agreement between the cities of Phoenix and Tempe has allowed him to work closely with the City of Phoenix and with the community in mitigating the noise concerns around Sky Harbor Airport. He has represented the FAA on the following state and local committees: City of Phoenix Sky Harbor Part 150 Study; City of Peoria Airport Master Plan Advisory Committee; State of Arizona Committee for the Preservation of Military Airports; Maricopa Association of Governments; Williams Gateway Airport Part 150 Study; and Phoenix Airspace user Workgroup (PAUWG). He has also served as a member of NBCFAE (National Black Coalition of Federal Aviation Employees).

Martin attended San Fernando Valley State College in San Fernando, CA. Throughout his career he has completed a multitude of courses at the FAA Center for Management Development, Palm Coast, Florida. He is a native of Eunice, Louisiana, he and his wife, Beverly, of 31 years, reside in Glendale, AZ. They are the proud parents of 3 children—Nicole, Nichelle and Martin II.

Martin is retiring from his current position of Assistant Air Traffic Manager at the FAA Terminal Radar Approach Control (TRACON) facility located at Sky Harbor Airport, where he has directed a staff of approximately 80 personnel, and maintained responsibility for the radar operations, procedures, automation, and administrative functions of the facility for the past 3 years.

I applaud his great achievements and hard work during his noteworthy career. FAA employees have long guarded the safety and security of our airways, and Martin Hardy has had an exemplary career in serving his country in this way. Congratulations on your retirement and best wishes as you enter a new chapter in your life.